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LOS ANGELES TIMES
24 May 1984

Sandinista Foes Getting Results, Shultz Asserts

Nicaraguans Being Pushed Toward Peaceful Compromise With U.S., He Tells Congressmen

By DOYLE McMANUS, *Times Staff Writer*

WASHINGTON—Secretary of State George P. Shultz, renewing the Reagan Administration's appeal for money for CIA-directed Nicaraguan rebels, told congressmen Wednesday that the rebels' attacks are pushing Nicaragua's leftist regime toward a peaceful compromise with the United States.

But House Democrats said they are unconvinced, and some proposed replacing the Administration's \$21-million aid request with a \$6-million fund to "wind down" the covert war.

Shultz and CIA Director William J. Casey also asserted at a closed-door meeting that the rebels are forcing the Sandinista regime to be more conciliatory toward its Central American neighbors and its domestic opposition, according to congressmen and other officials who attended.

Democratic opponents of the Administration have argued that the CIA's financing and direction of the rebels, known as *contras*, have pro-

duced no such positive results.

The issue is a matter of debate even within the State Department. In a confidential cable to the State Department last month, the U.S. ambassador to Nicaragua warned that the military pressure "has convinced (Sandinista) leaders that a soft-line policy is hopeless, as the U.S. is determined to destroy the revolution."

The cable, which appears to run contrary to Shultz's argument, noted that the Sandinistas adopted a "conciliatory policy" after the U.S. invasion of Grenada last October but abandoned that approach after their initial gestures were followed by an escalation of rebel attacks and the CIA-directed mining of Nicaraguan harbors.

In the message, then-Ambassador Anthony C.E. Quainton warned that Nicaragua's internal political conflict appeared headed toward violent clashes. "Recent events have accelerated the polarization process and compromise appears increasingly remote," the cable said.

Quainton, who recently left the post in Nicaragua, could not be reached for comment. Some Administration officials have said he was forced out of his job because he had expressed increasing reservations about the covert program, but the State Department has denied those reports and said that Quainton will soon be nominated for another ambassadorship.

A State Department official acknowledged that the rebels' attacks have not yet prompted any noticeable moderation among the Sandinistas, but argued that the situation would be even worse without their efforts.

"You cannot demonstrate conclusively that increased pressure on Nicaragua will cause Nicaragua to be more accommodating," he said.

"But you can't say that they are more likely to be more accommodating than if there is no pressure."

The Administration's \$21-million request for the *contras* is attached to an emergency appropriations bill that also includes \$61.8 million in new military aid for El Salvador's war against leftist guerrillas.

The funds have already been approved by the Republican-led Senate. Leaders in the Democratic-controlled House have said that the money for El Salvador is almost certain to pass—but that the funds for the Nicaraguan rebels are likely to lose.

Congressional aides said some Democrats are working on a proposal that would provide \$2 million to wind up the war and a \$4-million fund to help the rebels and their families relocate.

Rep. Michael D. Barnes (D-Md.), chairman of the House Foreign Affairs subcommittee on Latin America, said he favors "some funding to close it down and humanitarian payments to the people involved. We hired them and got them into this. It seems to me we have some responsibility."

But House Speaker Thomas P. (Tip) O'Neill Jr. (D-Mass.) said even the proposed \$6 million may be rejected. "The vote's very tenuous as to whether that could pass," he said. "It seems the majority favors no funds whatsoever."

In their meeting with the congressmen, Shultz and Casey repeated President Reagan's message at his news conference Tuesday evening—that the rebels are "freedom fighters" who deserve U.S. support. "We . . . put forward the case of people in Nicaragua who are fighting for their liberty, for their values and for their ability to have a life without repression," Shultz told reporters after the session.

But House Majority Leader Jim Wright (D-Tex.) said he told the two officials that "they cannot expect to pass money for continuing a covert war in Nicaragua in the House, and they would be wise to drop that."